

Budget and Finance Committee
January 11, 2016
Conference Room A, IAKSS

Members present: Hiren Desai, Jessica Hiler, Jessica Williams, Dave Osborne, Tiffany Williams, Julane Mullins, Debbie Boian

The meeting was called to order by Julane Mullins at 4:03 p.m.

Debbie Boian served as recorder.

Julane reviewed the Working Budget adjustments that will be presented to the Board:

- This is a new process that is designed to provide more transparency and report needed adjustments to the working budget that may occur after the approval of the working budget. There are a few adjustments made in January. The beginning balance was \$35 million, but the audited beginning balance was \$36.5 million.
- There is an expected mid-year SEEK reduction due to an increase in the exceptional child population. There is a \$418,000 adjustment for Fayette County to cover increases in the exceptional child population.
- KTRS language changes for retirees that are rehired so that districts would have to pay for any retiree working 80 days or more the cost this year is an estimated \$450,000.

Question: Will that impact future hiring? Yes it will we will need to limit the number of days retirees work.

The elimination of the continuation plan for elementary and other schools will create some overcrowding in some schools. We are setting aside \$400,000 for portables.

Question: How many schools will get portables? Six. Hiren indicated that number may go up as we work through the redistricting plan.

Will \$400,000 cover portables at all schools? No this is just the set up cost, the total figure is now about \$900,000.

Have we looked at how many empty classrooms we're going to have at other schools? Just in my area there are going to be 14 empty classrooms.

Doug was asked if the Board had looked at it. Doug responded that no they had not. Hiren indicated that Myron and he would look at it and indicated that they may also need to look at vacancies, transportation, etc. He indicated that they would take that as an action item from the meeting and would look into it.

Did the Board vote to eliminate the continuation plan? Doug responded that yes they had, but they also voted to eliminate portables. He indicated that he hated to add \$1 million to the budget when there are empty classrooms.

Hiren indicated that letters had been sent out to families and we were waiting for responses to come back in to see where families were going. We are looking at mass communication software and Lisa Deffendall and Bob Moore will make a recommendation from the RFP at next month's Board meeting.

Julane continued that there was a box truck that needed replacement. It has cost the district \$142,000 in maintenance costs in the past 2 years and they are recommending it be replaced at a cost of \$80,000.

Law Enforcement needs radio replacements and a new tower, the old analog tower is going to be retired. Total changes of \$1.5 million will result in an even contingency.

There were no questions so Julane proceeded with the draft budget explanation. This budget is for information and planning purposes. There is no need for Board or KDE approval. Issues that may impact the budget include:

- General Assembly decisions
- Presumed the Board will take the compensating rate in August in order to continue having adequate bonding capacity.
- Addition of \$850,000 toward debt service next year.
- Other revenue streams will be assumed to be flat.
- Step increases of \$3.6 million
- CERS rate increase from 17% to 18.6% for a \$980,000 increase
- KISBIT judgement for property and liability insurance \$492,000
- Portable rental for the elimination of the continuation plan
- New elementary and expansion of Carter G. Woodson and STEAM \$1.6 million

Things that are unknown

- Tuition at OMC and STEAM will need to be paid
- Compensation study
- Nurse Contract extension
- Retirement with pension spiking
- Growth in the ESL population
- Sequestration related to federal grants
- State grants – possible impacts of the new administration (flex focus, read to achieve, etc. which may be cut by the new governor)
- Audit results for Manny's entry plan
- Growth in bus ridership – possible KISTA purchase increase
- FICA deductions will need to come before pretax so that employer paid deductions will increase.
- Employer paid KTRS contributions will be changing
- Two new elementary schools and new high school start-up costs including athletic needs
- Increased energy costs
- Increases in exceptional child services and services that are more intensive

There was a reminder that the District will be looking to purchase property and that should be added to the list.

Question: Will there be any funding for foreign language? Those decisions need to be made before staffing is approved in February. The FLAP grant provided foreign language for 17 schools and the grant has expired. The District is currently covering the cost and the staffing committee last year recommended that the dollars go away.

Julane continued that the Board will approve the working budget item tonight.

Amy complemented the outline process because it was easier to follow than the chart.

Hiren commented that the group needs to get together sooner than May to look over the Tentative Budget, we will send a meeting notice when the time was set.

Other topics the group wanted to explore were: Enrollment Projections, SEEK forecast versus SEEK final, and where the session was going.

Debbie briefly went over the progress in the compensation study. MAG is finishing up the Administrative portion of the study and hopes there will be a report soon.

There being no other questions all were thanked for attending and the meeting adjourned at 4:42 p.m.

Next meeting to be announced along with the location.